



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Set fees for Returned Check Charges of \$10.00 for each first returned check and \$25.00 for each subsequent returned check.

MEETING DATE: September 3, 1997


PREPARED BY: Finance Director

RECOMMENDED ACTION: That the City Council, by resolution, set fees of \$10.00 for each first returned check and \$25.00 for each subsequent returned check, as provided by AB 2643 effective January 1, 1997.

BACKGROUND INFORMATION: In 1988, a returned check service charge in the amount of \$10.00 was initiated in accordance with Section 1719 of the Civil Code which provided that damages equal to treble the amount of a non-sufficient funds check could be enforced under specific circumstances. In 1988, 452 checks were returned for non-sufficient funds, referred to maker, or account closed. In the fiscal year 1996/97 a total of 916 checks were returned for a 103% increase in a nine (9) year period. Of that total an average of 51% were at the 90 day delinquent position subject to termination for non-payment of utilities. At that point of delinquency, a \$10.00 late fee is added to the total bill. That group of utility customers avoided immediate turn-off due to non-payment and the \$25.00 late fee that would have occurred on the next bill by submitting a check drawn on non-sufficient funds. Analysis of collection attempts by Finance office staff has determined the cost to collect for a returned check to be \$25.36. Additional effort by field personnel increases the total cost to \$105.26 for each returned check if service is terminated.

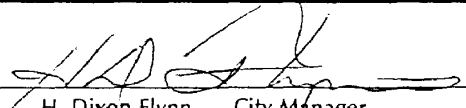
On September 27, 1996, Governor Wilson signed into law AB 2643 which became effective January 1, 1997. The new law provides that a check-writer of the dishonored check shall be liable to the "payee" (person named on the check) for a service charge in an amount not to exceed \$25.00 for the first check dishonored, and an amount not to exceed \$35.00 for each subsequent check dishonored. A service charge for a dishonored check is not only intended to recover bank charges passed through to the City of Lodi, but also to discourage this type of behavior.

FUNDING REQUIRED: None


Vicky McAthie, Finance Director

Prepared by: Maxine Cadwallader, Revenue Manager

APPROVED: _____


H. Dixon Flynn -- City Manager

Display 1995-1996 Bill Text - INFORMATION
BILL NUMBER: AB 2643

BILL TEXT

CHAPTER	1000
FILED WITH SECRETARY OF STATE	SEPTEMBER 29, 1996
APPROVED BY GOVERNOR	SEPTEMBER 27, 1996
PASSED THE ASSEMBLY	AUGUST 30, 1996
PASSED THE SENATE	AUGUST 21, 1996
AMENDED IN SENATE	AUGUST 20, 1996
AMENDED IN SENATE	AUGUST 5, 1996
AMENDED IN SENATE	JUNE 17, 1996
AMENDED IN ASSEMBLY	APRIL 18, 1996

INTRODUCED BY Assembly Members Bordonaro and Kaloogian

FEBRUARY 21, 1996

An act to amend Section 1719 of the Civil Code, relating to commercial paper.

LEGISLATIVE COUNSEL'S DIGEST

AB 2643, Bordonaro. Commercial paper: insufficient funds.

Existing law creates a cause of action for the amount of a check passed on insufficient funds minus any partial payment made within 30 days of a specified written demand for payment, damages equal to treble that amount, as specified, plus the costs of mailing the written demand for payment only if the person who passed the check failed to pay either the amount of the check or the amount of the bad check fee charged to the payee by his or her financial institution within a prescribed period, except as specified.

This bill would revise and recast these provisions to create a cause of action for the amount of the check and a specified service charge, payable to the payee. The bill would provide that the person shall have 30 days from the date a prescribed written demand was mailed to pay the amount of the check, the service charge, and the cost to mail the demand. If the person fails to pay this amount in full, this person shall instead be liable for specified amounts, including treble damages. The bill would make conforming changes.

The bill would, among other things, provide that for purposes of the above provisions, the term "payee" includes an assignee or holder of the check.

Display 1995-1996 Bill Text - INFORMATION
BILL NUMBER: AB 2643

PAGE 2

BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 1719 of the Civil Code is amended to read:

1719. (a) (1) Notwithstanding any penal sanctions that may apply, any person who passes a check on insufficient funds shall be liable to the payee for the amount of the check and a service charge payable to the payee for an amount not to exceed twenty-five dollars (\$25) for the first check passed on insufficient funds and an amount not to exceed thirty-five dollars (\$35) for each subsequent check to that payee passed on insufficient funds.

(2) Notwithstanding any penal sanctions that may apply, any person who passes a check on insufficient funds shall be liable to the payee for damages equal to treble the amount of the check if a written demand for payment is mailed by certified mail to the person who had passed a check on insufficient funds and the written demand informs this person of (A) the provisions of this section, (B) the amount of the check, and (C) the amount of the service charge payable to the payee. The person who had passed a check on insufficient funds shall have 30 days from the date the written demand was mailed to pay the amount of the check, the amount of the service charge payable to the payee, and the costs to mail the written demand for payment. If this person fails to pay in full the amount of the check, the service charge payable to the payee, and the costs to mail the written demand within this period, this person shall then be liable instead for the amount of the check, minus any partial payments made toward the amount of the check or the service charge within 30 days of the written demand, and damages equal to treble that amount, which shall not be less than one hundred dollars (\$100) nor more than one thousand five hundred dollars (\$1,500). When a person becomes liable for treble damages for a check that is the subject of a written demand, that person shall no longer be liable for any service charge for that check and any costs to mail the written demand.

(3) Notwithstanding paragraphs (1) and (2), a person shall not be liable for the service charge, costs to mail the written demand, or treble damages if he or she stops payment in order to resolve a good faith dispute with the payee. The payee is entitled to the service charge, costs to mail the written demand, or treble damages only upon proving by clear and convincing evidence that there was no good faith dispute, as defined in subdivision (b).

(4) Notwithstanding paragraph (1), a person shall not be liable under that paragraph for the service charge if, at any time, he or she presents the payee with written confirmation by his or her financial institution that the check was returned to the payee by the financial institution due to an error on the part of the financial institution.

(5) Notwithstanding paragraph (1), a person shall not be liable under that paragraph for the service charge if the person presents the payee with written

Display 1995-1996 Bill Text - INFORMATION
BILL NUMBER: AB 2643

BILL TEXT

confirmation that his or her account had insufficient funds as a result of a delay in the regularly scheduled transfer of, or the posting of, a direct deposit of a social security or government benefit assistance payment.

(6) As used in this subdivision, to "pass a check on insufficient funds" means to make, utter, draw, or deliver any check, draft, or order for the payment of money upon any bank, depository, person, firm, or corporation that refuses to honor the check, draft, or order for any of the following reasons:

(A) Lack of funds or credit in the account to pay the check.

(B) The person who wrote the check does not have an account with the drawee.

(C) The person who wrote the check instructed the drawee to stop payment on the check.

(b) For purposes of this section, in the case of a stop payment, the existence of a "good faith dispute" shall be determined by the trier of fact. A "good faith dispute" is one in which the court finds that the drawer had a reasonable belief of his or her legal entitlement to withhold payment. Grounds for the entitlement include, but are not limited to, the following: services were not rendered, goods were not delivered, goods or services purchased are faulty, not as promised, or otherwise unsatisfactory, or there was an overcharge.

(c) In the case of a stop payment, the notice to the drawer required by this section shall be in substantially the following form:

NOTICE

To: _____
(name of drawer)
_____ is the payee of a check you wrote
(name of payee)
for \$ _____. The check was not paid because
(amount)

you stopped payment, and the payee demands payment. You may have a good faith dispute as to whether you owe the full amount. If you do not have a good faith dispute with the payee and fail to pay the payee the full amount of the check in cash, a service charge of an amount not to exceed twenty-five dollars (\$25) for the first check passed on insufficient funds and an amount not to exceed thirty-five dollars (\$35) for each subsequent check passed on insufficient funds, and the costs to mail this notice within 30 days after this notice was mailed, you could be sued and held responsible to pay at least both of the following:

(1) The amount of the check.

(2) Damages of at least one hundred dollars (\$100) or, if higher, three times the amount of the check up to one thousand five hundred dollars (\$1,500).

If the court determines that you do have a good faith dispute with the payee, you will not have to pay the service charge, treble damages, or mailing cost.

Display 1995-1996 Bill Text - INFORMATION
BILL NUMBER: AB 2643

BILL TEXT

If you stopped payment because you have a good faith dispute with the payee, you should try to work out your dispute with the payee. You can contact the payee at:

(name of payee)

(street address)

(telephone number)

You may wish to contact a lawyer to discuss your legal rights and responsibilities.

(name of sender of notice)

(d) In the case of a stop payment, a court may not award damages or costs under this section unless the court receives into evidence a copy of the written demand which, in that case, shall have been sent to the drawer and a signed certified mail receipt showing delivery, or attempted delivery if refused, of the written demand to the drawer's last known address.

(e) A cause of action under this section may be brought in small claims court by the original payee, if it does not exceed the jurisdiction of that court, or in any other appropriate court. The payee shall, in order to recover damages because the drawer instructed the drawee to stop payment, show to the satisfaction of the trier of fact that there was a reasonable effort on the part of the payee to reconcile and resolve the dispute prior to pursuing the dispute through the courts.

(f) A cause of action under this section may be brought in municipal court by a holder of the check or an assignee of the payee. However, if the assignee is acting on behalf of the payee, for a flat fee or a percentage fee, the assignee may not charge the payee a greater flat fee or percentage fee for that portion of the amount collected that represents treble damages than is charged the payee for collecting the face amount of the check, draft, or order. This subdivision shall not apply to an action brought in small claims court.

(g) Notwithstanding subdivision (a), if the payee is a municipal court, the written demand for payment described in subdivision (a) may be mailed to the drawer by a municipal court clerk. Notwithstanding subdivision (d), in the case of a stop payment where the demand is mailed by a municipal court clerk, a court may not award damages or costs pursuant to subdivision (d), unless the court receives into evidence a copy of the written demand, and a certificate of mailing by a municipal court clerk in the form provided for in subdivision (4) of Section 1013a of the Code of Civil Procedure for service in civil actions. For purposes of this subdivision, in courts where a single court clerk serves more than one court, the clerk shall be deemed the court clerk of each court.

(h) The requirements of this section in regard to remedies are mandatory upon a court.

(i) The assignee of the payee or a holder of the check may demand, recover, or enforce the service charge, damages, and costs specified in this section to

Display 1995-1996 Bill Text - INFORMATION
BILL NUMBER: AB 2643

BILL TEXT

the same extent as the original payee.

(j) (1) A drawer is liable for damages and costs only if all of the requirements of this section have been satisfied.

✓ (2) The drawer shall in no event be liable more than once under this section on each check for a service charge, damages, or costs.

(k) Nothing in this section is intended to condition, curtail, or otherwise prejudice the rights, claims, remedies, and defenses under Division 3

(commencing with Section 3101) of the Commercial Code of a drawer, payee, assignee, or holder, including a holder in due course as defined in Section 3302 of the Commercial Code, in connection with the enforcement of this section.

damages incurred
Bank charge

BAD CHECK CHARGE



By Ron Sargis, CAC Legal Counsel

On September 27, 1996, Governor Wilson signed into law AB 2643 which created an automatic statutory merchant bad check service charge. This new law brings to a close the attacks made by debtors on bad check service charges and the folklore which was created around recent cases. Although the courts which reviewed this issue have held that there exists two independent legal theories for the bad check service charge under current law, contract and Commercial Code theories, this legislation puts to an end the dispute being created by a very small group of debtors who seek to avoid paying a merchant bad check service charge for their dishonored check.

This legislation, which was spearheaded by the California Retailers Association amends the current treble damage statute so as to make a merchant bad check service charge an integral part of the process. This law becomes effective January 1, 1997. At this time, I think it appropriate to review these new provisions and how the new law should be applied.

Paragraph (a)(1) of Civil Code Section 1719 creates the right to bad check service charge upon dishonor of the check. The dishonor of the check may be due to lack of funds or credit to pay the check, a closure or nonexistence of account, or a stop payment where there is not a good faith dispute. These grounds and dishonors are the same as under current law.

The new law provides that a check-writer of the dishonored check shall be liable to the "payee" (person named on the check) for a service charge in an amount not to exceed \$25.00 for the first check dishonored, and an amount not to exceed \$35.00 for each subsequent check dishonored. First, with respect to the "amount not to exceed \$25.00," various merchants had different opinions as to the bad check service charge that was appropriate for their establishment, so it is left to the merchant to set the amount charged for a dishonored check. The \$35.00 amount for the second and subsequent dishonored checks by the check-writer to the merchant was in part based upon the fact that the actual cost of handling a dishonored check exceeded \$25.00 as documented by the data assembled by the Retailers Association. Therefore, for the situation where a check-writer issues multiple dishonored checks to a merchant, there was very little sympathy shown for him or her with respect to the bad check charge.

Paragraph (a)(2) of Civil Code Section 1719 will now be the treble damage paragraph. It provides that a check-writer of a dishonored check shall be liable for an amount equal to treble the amount of the check if a written demand for payment is mailed by certified mail to the check-writer, and the notice informs the check-writer of (A) the provisions of Civil Code Section 1719, (B) the amount of the check, and (C) the amount of the service charge payable to the payee. If the check-writer does not pay the amount of the check, the amount of the service charge, and the cost of mailing

this written demand within 30 days from the date it was mailed, then the check-writer shall be liable for the amount of the check, minus any partial payments made toward the check or the service charge within 30 days of the demand, and damages equal to treble that amount. The treble damages shall continue to not be less than \$100.00 nor more than \$1,500.00.

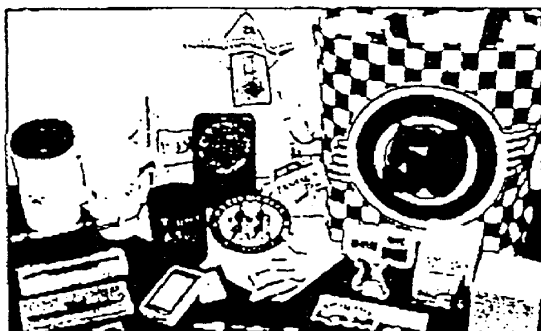
AB 2643 adds new paragraphs (4) and (5) to Civil Code Section 1719(a). These paragraphs provide that the check-writer is not liable for the \$25.00/\$35.00 service charge if he or she presents the payee with written confirmation from the financial institution that the check was returned and due to an error on the part of the financial institution itself. Additionally, the check-writer is not liable for the \$25.00/\$35.00 service charge if he/she presents the payee with written confirmation that the dishonor occurred because of a delay in the regularly scheduled transfer of, or the posting of, a direct deposit social security or government benefit assistance payment. These two very explicit exceptions were carved out of the general automatic liability for the bad check service charge, and the burden is on the check-writer to produce the documentation. Please also note that these exceptions were only for the bad check service charge, and check-writer will remain liable for the treble damages if they fail to pay within the 30-day notice period the face amount and the cost of mailing the written demand.

Paragraph (c) of Section 1719 contains the amended statutory notice

(Continued)

SUN MOUNTAIN

Promotional Products



Sun Mountain offers an immense variety of promotional products at competitive prices. Our state-of-the-art computerized catalog system features thousands of products available to fit all of your promotional needs.

Whether you are looking for a traffic builder or searching for corporate logo identified merchandise, Sun Mountain provides you with superior quality service in meeting your objectives.

Free catalog and pricing are available upon request.
1827 Mezes Avenue • Belmont, CA 94002 • Tel: (415) 593-8435 • Fax: (415) 593-8436

form to be used in the stop payment cases. This also provides a good form for you to check your standard NSF treble damage notice form against as part of your periodic form review.

Paragraph (e) of Section 1719 was clarified to provide that a small claims court action may be brought by the original payee (merchant) on the dishonored check if it does not exceed the jurisdictional limits of that court. The reference to "original payee" was added at the request of the Attorney General's office to avoid any confusion that this paragraph would have created jurisdiction for assignees in small claims court.

Paragraph (f) of Civil Code Section 1719 was amended to state that not only the assignee, but also the "holder of the check" could bring an action in municipal court for a negotiated check. This clarification was requested by the bankers. The holder in due course is a specifically defined person under the Commercial Code and is different from an assignee.

Paragraph (h) of Civil Code Section 1719 continues to state that the remedies set forth in this section are mandatory upon the court. This provision is in current law and was put into statute to codify (make part of a statute rather than just in a court decision) the District Court of Appeal decision directing that the trial court cannot have any discretion in either wording or the amount of the treble damages.

New paragraph (i) of Civil Code Section 1719 expressly states that the assignee of the original payee or holder of the check may demand, recover or enforce the service charge, damages and costs to the same extent as the original payee. This provision makes it clear that the assignee and holder can exercise all rights that the original payee would have, expressly including the right to demand and recover, as well as enforce through a court action, the various remedies.

New paragraph (j) of Civil Code Section 1719 was added to state that the check-writer is liable for the treble

damages and cost if the payee/assignee/holder comply with all the requirements of Civil Code Section 1719. For the bad check service charge, it means that the check has been dishonored. For the treble damages, it means that the proper notice was sent by certified mail, and the 30 days expired. This section further states that in no event shall the check-writer be liable for more than one service charge, treble damages or cost for each check. This was to avoid a situation where an original payee and a subsequent holder assignee were both demanding or intending to recover the treble damages for a check period for collection agencies. Your check assignment contract should clearly provide that the check, including all rights and any additional damages, services charges, etc., are covered by the assignment. This section also expressly states that the service charge and subsequent treble damages are owed for each check.

(Continued)

New paragraph (k) of Civil Code Section 1719 was added to make it clear that the provisions for the bad check service charge and treble damages does not prejudice the rights, claims, remedies, and defenses of any of the partners as provided in California law in connection with enforcing payment of a check. This section expressly provides that the provisions of Civil Code Section 1719 do not amend or override the general law of negotiable instruments, Division 3 of the California

Commercial Code, for the enforcement of negotiable instruments, which includes checks.

The passage of AB 2643 represents a successful simplification of existing law to allow businesses to easily allocate the cost of bad checks to the person writing such checks. During the legislative process, input from the consumer community was solicited and specific amendments made to the bill to address consumer concerns. In adopting this legislation, the Legislature has

determined that any check service charge up to \$25.00 for the first dishonored check is per se reasonable. Further, the Legislature has also recognized that people who pass multiple bad checks to a creditor are causing an even greater economic burden to the business community, and a higher bad check service charge of \$35.00 (which is closer to the actual cost to the merchant for a dishonored check) is reasonable.

This Bill has also included the requirement that the check-writer pay the bad check service charge in order to avoid the treble damage liability. As long recognized by the Legislature, bad checks represent a significant economic burden on the business community. This occurs whether the check was dishonored through inadvertence or through an intentional act of the check-writer. The inadvertent check-writer may promptly resolve the matter by paying the amount of the check and the check service charge. However, the check-writer who attempts to avoid paying the bad check service charge as authorized under this section, will now face the liability for treble damages upon expiration of the 30-day notice. The days of writing a bad check and getting 60 days of float time for making good with the merchant or collection agency are done, and in all cases, the check-writer of a dishonored check will pay at least the bad check service charge.

If you are either collecting checks or intend to get into the business, please make sure you review these new provisions carefully with your attorney. Then make sure that you and the merchant clients clearly understand the bad check service charge that the merchant wants to recover from the check-writer. Make sure that all of your collectors understand the basis of the bad check service charge under Civil Code Section 1719, that it has been assigned over to the collection agency from the merchant, and the collection agency is now exercising all rights and remedies to demand, recover or enforce the service charge, damages and costs to the same extent as the merchant. ♦

With our file quality improvement...

you make better credit decisions, and improve fraud detection and collection activities.

Because that's what you asked for.

Today, every TRW credit report includes up to two previous addresses and up to one previous employment. And that makes sense considering that more than 70 million people have moved over the past three years. Armed with this information you can improve the quality of your credit decisions, expedite collections, reduce the number of missing customers, and improve credit fraud detection.

In today's economy, it's critical to minimize your risk while growing

your business. That's why millions of TRW reports now contain more relevant information than ever before. Plus, a full 25% of our reports have been improved through enhanced duplicate detection of trade lines and public record items.

Consider these important improvements, and you can see how your suggestions and ideas are being implemented at TRW to help you make better credit-granting decisions.

TRW Information Services Division
505 City Parkway West
Suite 800
Orange, California 92668
1.800.854.7201

© 1995 TRW Inc. All rights reserved. TRW Inc.

TRW Consumer Credit Services

TRW

Returned Check Cost

8/4/97

<u>FINANCE - REVENUE</u>				<u>FINANCE - SUPPORT SERVICES</u>			
Senior Account Clerk Activity				Activity			
Write account # , name of issuer on bank slip for identification				Working with bank copy of returned check, access utility history to verify debit			
add \$10.00 to check amount				hand write 3 x 5 card documenting returned check			
access computer for date credited				Total each check	5 minutes	\$1.45	
Total each check	5 minutes	\$1.20		Enter to mail/merge document, date, account #, Name of issuer, address, service address, \$ amount of check			
Access returned check register				returned check service charge, due date			
enter account #, date received at bank				stuff letter	Total each check	3 minutes	\$0.87
check #, name of issuer, \$ amount of check							
date entered into our books				Look up telephone number and call repeat customer, discuss method of payment and due date			
Fund numbers, comments				Total each check	5 minutes	\$1.45	
Run computer list for Revenue Manager				Access delinquent card file, staple returned check card to any existing delinquent card to avoid duplication			
Total each check	5 minutes	\$1.20		Total each check	3 minutes	\$0.87	
Prepare entries to computer to reverse credits				Sub Total		\$4.64	
Prepare window receipt to reverse entries to books				Sub Total Office Staff		\$25.36	
Total each check	3 minutes	\$0.72					
				<u>FINANCE - FIELD SERVICES (if check is not redeemed by due date)</u>			
Make photocopies of check written to other departments - non utility				Review 3 x 5 card, enter date 48 hour notice issued, amount due & due date.			
Prepare and send letter on current utility accounts				Write up 48 hour notice			
Total each check	5 minutes	\$1.20		Total each check	5 minutes	\$1.30	
Verify entries on cash report				Physical delivery of 48 hour notice			
Verify account #, \$ amt, edit to window receipt				Total each check	15 minute	\$3.90	
				If not paid and to ready for turn off requires physical			

Returned Check Cost

Total each check	.5 minutes	\$1.20	movement around office to access for payment update in computer and combined cash report, check for guarantee, mark stree card indicating shut off, make 2 photocopies of seal card, one for office staff, one for electric utility staff and delivery to electric utility office.		
Prepare total monthly list of returned checks to forward to accounting for month end JV to reverse entries to various funds and object codes					
Total list	1 minute	\$0.24			
				Total each check	30 minute \$9.60
Redeem returned check for customer			Physical shut off (requires 2 persons)		
Access and update returned check register			Customer Service Supervisor	25 minute	\$8.00
Update utility account			Accounts Col'ector	25 minute	\$6.50
Write window receipt to record returned check charge revenue			If paid, Physical Turn on		
Total each check	3 minutes	\$0.66		Total each check	25 minute \$6.50
			Continual Shut Off Situation		
<u>FINANCE - ACCOUNTING</u>			Data entry and update list to include Issuer name, address, account #, \$ amount, meter information and comments.		
Account Clerk				Total each check	5 minutes \$1.30
Activity					
Prepare JV to record month end reversal entriec					
Total list	45 minute	\$9.90	Physical cite visit to determine if service is still sealed or customer moved		
Check bank statement for returned checks to record returned check charges				Total each check	25 minute \$6.50
Total bank statement	20 minute	\$4.40	Continual maintenance of shut off list to determine credit and require deposit in future		
Sub Total column		\$20.72		Total each check	5 minutes \$1.30
			Loss if assigned for collection		
				Total each check	\$5.00
			Sub total column		\$84.54
			Grand Total		\$105.26

RESOLUTION NO. 97-135

A RESOLUTION OF THE LODI CITY COUNCIL SETTING FEES FOR
CHECKS RETURNED FOR NON-SUFFICIENT FUNDS, ACCOUNT
CLOSED AND REFERRED TO MAKER

WHEREAS, Section 1719 of the Civil Code provides that damages equal to treble the amount of a insufficient funds check could be enforced under specific circumstances; and

WHEREAS, returned checks made payable to the City of Lodi have increased over 100% in a nine (9) year period; and

WHEREAS, delinquent customers submitting checks drawn with non-sufficient funds average 51% of the total checks returned; and

WHEREAS, an analysis of cost incurred by office staff in an attempt to collect exceed \$25.00 for each check, and the total cost at over \$100.00 if field personnel are necessary to force collection; and

WHEREAS, on September 27, 1996, Governor Wilson signed into law AB 2643, effective January 1, 1997, which provides that a check-writer of the dishonored check shall be liable to the "payee" (person named on the check) for a service charge in an amount not to exceed \$25.00 for the first check dishonored, and an amount not to exceed \$35.00 for each subsequent checks dishonored.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby sets the fee for a check returned for non-sufficient funds, account closed, and referred to maker at \$10.00 for the first check dishonored and \$25.00 for each subsequent check dishonored.

BE IT FURTHER RESOLVED by the Lodi City Council that this Resolution become effective immediately.

Dated: September 3, 1997

I hereby certify that Resolution No. 97-135 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 3, 1997, by the following vote:

Ayes:	Council Members –
Noes:	Council Members –
Absent:	Council Members –
Abstain:	Council Members –

ALICE M. REIMCHE
City Clerk